

DEPARTMENT OF INSURANCE300 SOUTH SPRING STREET, SOUTH TOWER
LOS ANGELES, CA 90013

January 2006

TO: ALL INSURERS LICENSED TO TRANSACT PROPERTY AND CASUALTY INSURANCE
IN THE STATE OF CALIFORNIA AND OTHER INTERESTED PERSONS

SUBJECT: CALIFORNIA EARTHQUAKE ZONING AND PROBABLE MAXIMUM LOSS
EVALUATION PROGRAM

The enclosed California Earthquake PML Questionnaire as of December 31, 2005, will be due according to the following schedule:

Primary Carriers	-	June 30, 2006
Reinsurers	-	August 31, 2006
Retrocessionaires	-	September 30, 2006

This report is authorized by California Code of Regulations, Title 10, Chapter 5, Subchapter 3, Article 3, Section 2307. This will be the twenty-second year that the Questionnaire has been required. This report form can also be downloaded from the Department's website at: "<http://www.insurance.ca.gov/>" under the "Industry" section.

Companies which had no Earthquake Insurance in force under any form on December 31, 2005, may satisfy the reporting requirement by so indicating at our Signature Page.

For companies that have data to report on Form A or Form B, we ask that you download the Excel files of the forms from our website. If you have any problems downloading the files, please feel free to call my staff at (213) 346-6731. Fill out the form using the downloaded file, send us a hard copy and a copy of the file on a diskette to the address listed on the Signature Page. Please sign and indicate to us which form you are submitting on the Signature Page.

There were no changes to the PML Percentages this year. In 1998, there were revisions in the PML percentages for residential structures. These revisions are discussed on Page 2 of the Instructions.

We again emphasize the importance of primary carriers supplying the necessary information to their reinsurers, and reinsurers supplying it to their retrocessionaires, to assure complete reporting by zone. The results of this form may be seriously impaired without the consolidation of reinsurance data by zone. Your cooperation on this matter is essential to the success of the program. To help in this regard, a Form "X" is included which should be used for reporting to reinsurers.

George Yen
Chief, Rate Specialist Bureau